

February 14, 2019

VIA ELECTRONIC FILING

Ms. Jocelyn G. Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Re: GCRM-149, Docket No. 2006-401-G

Dear Ms. Boyd:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-149.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels below the \$3.00 per dekatherm commodity cost of gas reflected in Piedmont's rates.

Based on the differential between Piedmont's existing benchmark cost of gas and the futures wholesale price, as well as the current balance in its deferred gas cost account, Piedmont is at risk of over-collecting its wholesale gas costs if the benchmark cost of gas reflected in its rates is not decreased to \$2.75 per dekatherm as proposed herein. The relief requested herein will mitigate such over-collection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are a decrease of \$0.02544/therm for sales rate schedules (201, 202, 242, 252, 203 and 204) and a decrease of \$0.00044/therm for transportation rate schedules (213 and 214).

Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in March, 2019.

Ms. Jocelyn G. Boyd
February 14, 2019
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If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

/s/ Jasmine K. Gardner
Jasmine K. Gardner

Enclosures

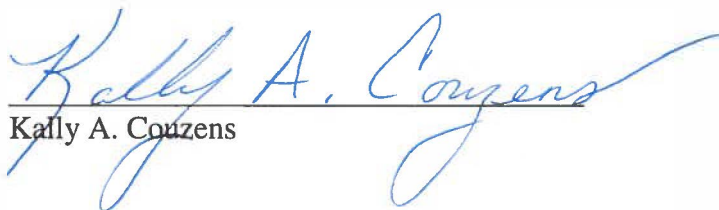
cc: Bruce Barkley
Pia Powers
Brian Heslin
Jim Jeffries
Office of Regulatory Staff (via email and overnight delivery)

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

Kally A. Couzens, being duly sworn, deposes and says that she is Rates & Regulatory Strategy Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing and knows the contents thereof; and she believes that the facts set forth therein are true and correct.


Kally A. Couzens

Mecklenburg County, North Carolina

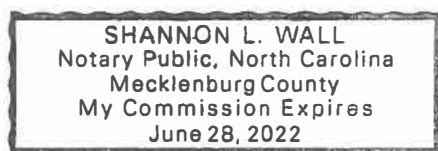
Signed and sworn to before me this day by Kally A Couzens.

Date: 2/14/19


Shannon L. Wall, Notary Public

(Official Seal)

My Commission Expires: 6/28/22



Schedule A

Piedmont Natural Gas Company, Inc.
State of South Carolina
Proposed Benchmark Commodity Rate Change - GCRM 149, Docket No. 2006-401-G

	(a)	(b)	(c)
	February 2019	GCRM-149	March 2019
	Current	COG Commodity	Proposed
Rate Schedules:	<u>Billing Rates</u> ¹	<u>Change</u>	<u>Billing Rates</u>
201 Residential Service			
Monthly Charge-winter	10.00	-	10.00
Monthly Charge-summer	8.00	-	8.00
Winter (Nov.-Mar.) per therm	0.80572	(0.02544)	0.78028
Summer (Apr.-Oct.) per therm	0.76231	(0.02544)	0.73687
202 Small General Service			
Monthly Charge	22.00	-	22.00
Winter (Nov.-Mar.) per therm	0.72125	(0.02544)	0.69581
Summer (Apr.-Oct.) per therm	0.71033	(0.02544)	0.68489
252 Medium General Service			
Monthly Charge	75.00	-	75.00
Winter (Nov.-Mar.) per therm	0.69000	(0.02544)	0.66456
Summer (Apr.-Oct.) per therm	0.67908	(0.02544)	0.65364
242 Natural Gas Vehicle Fuel Service			
Winter (Nov.-Mar.) per therm	0.59714	(0.02544)	0.57170
Summer (Apr.-Oct.) per therm	0.59714	(0.02544)	0.57170
Winter (Nov.-Mar.) per GGE ²	0.75240		0.72034
Summer (Apr.-Oct.) per GGE ²	0.75240		0.72034
243 Experimental Motor Vehicle Fuel Service			
Monthly Charge			
Winter (Nov.-Mar.)			
Summer (Apr.-Oct.)			
203 Large General Sales Service			
Monthly Charge	250.00	-	250.00
Billing Demand per therm	1.10000	-	1.10000
Winter (Nov.-Mar.) per therm			
First 15,000	0.53648	(0.02544)	0.51104
Next 15,000	0.47077	(0.02544)	0.44533
Next 75,000	0.42274	(0.02544)	0.39730
Next 165,000	0.37650	(0.02544)	0.35106
Next 330,000	0.32936	(0.02544)	0.30392
Over 600,000	0.30579	(0.02544)	0.28035
Summer (Apr.-Oct.) per therm			
First 15,000	0.46220	(0.02544)	0.43676
Next 15,000	0.41507	(0.02544)	0.38963
Next 75,000	0.38560	(0.02544)	0.36016
Next 165,000	0.35793	(0.02544)	0.33249
Next 330,000	0.32936	(0.02544)	0.30392
Over 600,000	0.30579	(0.02544)	0.28035
204 Interruptible Sales Service			
Monthly Charge	250.00	-	250.00
Winter (Nov.-Mar.) per therm			
First 15,000	0.56148	(0.02544)	0.53604
Next 15,000	0.49577	(0.02544)	0.47033
Next 75,000	0.44864	(0.02544)	0.42320
Next 165,000	0.40300	(0.02544)	0.37756
Next 330,000	0.35336	(0.02544)	0.32792
Over 600,000	0.33079	(0.02544)	0.30535
Summer (Apr.-Oct.) per therm			
First 15,000	0.48720	(0.02544)	0.46176
Next 15,000	0.44007	(0.02544)	0.41463
Next 75,000	0.41150	(0.02544)	0.38606
Next 165,000	0.38443	(0.02544)	0.35899
Next 330,000	0.35336	(0.02544)	0.32792
Over 600,000	0.33079	(0.02544)	0.30535
205 Outdoor Gas Light Service			
Per Fixture/Mo.	15.00	-	15.00

Piedmont Natural Gas Company, Inc.

State of South Carolina

Proposed Benchmark Commodity Rate Change - GCRM 149, Docket No. 2006-401-G

	(a)	(b)	(c)
	February 2019 Current	GCRM-149 COG Commodity Rate	March 2019 Proposed
Rate Schedules:	<u>Billing Rates</u> ¹	<u>Change</u>	<u>Billing Rates</u>
213 Large General Transportation Service			
Monthly Charge	250.00	-	250.00
Standby Demand per therm	0.45000	-	0.45000
Billing Demand per therm	0.80000	-	0.80000
Winter (Nov.-Mar.) per therm			
First 15,000	0.21048	(0.00044)	0.21004
Next 15,000	0.14877	(0.00044)	0.14833
Next 75,000	0.10804	(0.00044)	0.10760
Next 165,000	0.06650	(0.00044)	0.06606
Next 330,000	0.02476	(0.00044)	0.02432
Over 600,000	0.00579	(0.00044)	0.00535
Summer (Apr.-Oct.) per therm			
First 15,000	0.13620	(0.00044)	0.13576
Next 15,000	0.09307	(0.00044)	0.09263
Next 75,000	0.07090	(0.00044)	0.07046
Next 165,000	0.04793	(0.00044)	0.04749
Next 330,000	0.02476	(0.00044)	0.02432
Over 600,000	0.00579	(0.00044)	0.00535
214 Interruptible Transportation Service			
Monthly Charge	250.00	-	250.00
Winter (Nov.-Mar.) per therm			
First 15,000	0.22648	(0.00044)	0.22604
Next 15,000	0.16577	(0.00044)	0.16533
Next 75,000	0.11364	(0.00044)	0.11320
Next 165,000	0.07250	(0.00044)	0.07206
Next 330,000	0.03136	(0.00044)	0.03092
Over 600,000	0.00579	(0.00044)	0.00535
Summer (Apr.-Oct.) per therm			
First 15,000	0.15220	(0.00044)	0.15176
Next 15,000	0.11007	(0.00044)	0.10963
Next 75,000	0.07650	(0.00044)	0.07606
Next 165,000	0.05393	(0.00044)	0.05349
Next 330,000	0.03136	(0.00044)	0.03092
Over 600,000	0.00579	(0.00044)	0.00535

1/ The rates in Column (a) are the same as those shown in the Company's Etariff filing revision #E2019-34 (version 32) approved on 2/8/19.

2/ The rates convert 1.26 therms to 1 GGE.

Schedule B

Piedmont Natural Gas Company, Inc.
State of South Carolina
Commodity Cost of Gas Calculation
Docket No. 2006-401-G
GCRM - 149

	<u>Annualized Throughput (DT) per Docket 2018-7-G Settlement Approved on 10/3/2018, Order No. 2018-679</u>	<u>Proposed Commodity Rate per (DT)</u>	<u>Total</u>
Sales	15,337,035	\$ 2.75	\$ 42,176,846
Transportation	5,610,407		
Total Throughput	20,947,442		
LAUF %	1.77%		
Company Use & Lost And Unacct For	370,770	\$ 2.75	\$ 1,019,618
Total Throughput			20,947,442
Calculated Rate - LAUF			0.0487
Proposed Sales Commodity Rate per DT			\$ 2.79870
Proposed Sales Commodity Rate per Therm			\$ 0.27987
Current Sales Commodity Rate per Therm			\$ 0.30531
Adjustment to Sales Commodity Rate per Therm			\$ (0.02544)
Proposed Transportation Commodity Rate per DT			\$ 0.04870
Proposed Transportation Commodity Rate per Therm			\$ 0.00487
Current Transportation Commodity Rate per Therm			\$ 0.00531
Adjustment to Transportation Commodity Rate per Therm			\$ (0.00044)
Current Benchmark			\$ 3.00
Proposed Benchmark			\$ 2.75

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and FedEx Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 14th day of February, 2019.

/s/ Richard K. Goley
Richard K. Goley